HON'BLE SRI JUSTICE V.V.S.RAO

WRIT PETITION Nos.6225, 6337 and 6338 of 2006

Dated:18.09.2006

WRIT PETITION No.6225 of 2006

Between:

M/s.Bhagyanagar Electrical Works.

…Petitioner

and

The Central Power Distribution Company of A.P., and others.

…Respondents

WRIT PETITION No.6337 of 2006

Between:

M/s.Raghavendra Transformer Repairing Centre.

…Petitioner

and

The Central Power Distribution Company of A.P., and others.

…Respondents

WRIT PETITION No.6338 of 2006

Between:

M/s.Perfect Electrical Works.

…Petitioner

and

The Central Power Distribution Company of A.P., and others.

…Respondents

HON'BLE SRI JUSTICE V.V.S.RAO

WRIT PETITION Nos.6225, 6337 and 6338 of 2006

COMMON ORDER:

The three writ petitions can be disposed of by a common order as they arise in the same background facts. The petitioners herein are engaged in the business of repairing the electrical transformers for the first respondent. They entered into service contract for the said purpose pursuant to their selection in a tender process. They allege that the third respondent orally informed them that they were required to pay the rent at the rate of Rs.1.50 ps. per square feet for utilizing the sheds of the first respondent for repairing/maintenance of the transformers. When the petitioners insisted upon settlement of their bills for the works done, the third respondent informed them by letter dated 03.03.2005 that monthly rent at the rate of 1.5% of the gross value of the agreement is being deducted for the months from April 2001 to April 2004. Aggrieved by the same, the petitioners made separate representations requesting to pay the amounts, which were deducted towards the alleged rental value at the rate of 1.5% of gross value of the agreement. As there was no response, the present Writ Petitions are filed.

At the stage of admission itself, the third respondent filed counter affidavits. It is admitted that as per B.P.Ms.No.112, dated 08.08.1997, the erstwhile Andhra Pradesh State Electricity Board (APSEB) has fixed maximum ceiling of rent for the buildings hired by APSEB and that by a Memo dated 12.09.2005, the first respondent informed the Operations Officers to collect the rents as per B.P.Ms.No.112. It is, however, stated that as per B.P.Ms.No.112, which was applied in respect of the rents payable for utilizing SPM sheds only prospectively the collection of rent at 1.5% of gross value of the agreement is justified. The allegation that the petitioners were not put on notice about the rents payable by them for utilizing the departmental sheds is not specifically denied.

After hearing the learned Counsel for the petitioners and the learned Standing Counsel for the Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) it becomes clear that the third respondent in one go deducted monthly rent for a period of 25 months (in W.P.No.6225 of 2006), 37 months (in W.P.No.6337 of 2006) and 31 months (in W.P.No.6338 of 2006) applying the rate of

1.5% of gross value of agreement. The rational or basis for such formula is not specifically explained in the counter affidavits. Further, by B.P.Ms.No.112 it was directed to collect a sum of Rs.1.50 ps. per square feet for the sheds hired by APSEB, and the same was applied even in relation to the rents payable by the persons like the petitioners utilizing the SPM sheds. Therefore, when the first respondent itself decided to apply the rates of rents as specified in B.P.Ms.No.112, there is no reason why the same cannot be treated as a fair rent for the SPM sheds. However, the applications made by the petitioners are still pending. Therefore, these applications for payment of the amounts deducted from their bills towards the alleged rent at 1.5% of gross value of the agreement may be considered by the Managing Director of APCPDCL. Such consideration may be completed within a period of eight weeks from the date of receipt of a copy of this order.

The Writ Petition, with the above observations and directions, is accordingly disposed of. No costs.

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(V.V.S.RAO, J)

18.09.2006
vs